

**IMPACT STATEMENT**

**Legislation title:** \* Adopt and authorize the submission of the Action Plan fiscal year 2018-2019, for the Community Development Block Grant, HOME Investment Partnership grant, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS grant to the U.S. Department of Housing and Urban Development (Ordinance)

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**Purpose of proposed legislation and background information:**

Since 1995, the U.S. Department of Housing and Urban Development (HUD) has required a single consolidated submission for the planning and applications aspects of the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships, and Housing Opportunities for Persons with Aids (HOPWA) formula programs. The multi-year Consolidated Plan and annual Action Plans have replaced the Comprehensive Housing Affordability Strategy (CHAS), the HOME program description, the Community Development plan and the CDBG final statement, and the ESG and HOPWA applications.

The City of Portland is the lead agent for the Consolidated Plan Consortium, which also includes the City of Gresham and Multnomah County. In accordance with HUD regulations, the Consolidated Plan Consortium is required to submit a Consolidated Plan every five year as a condition of receiving four Federal formula grants: Community Development Block Grant, HOME Investment Partnership Grant, Emergency Solution Grant and Housing Opportunities for Persons with AIDS. The Consolidated Plan contains a snapshot of the community's housing and community development needs, identifies local priorities, and establishes the strategies each jurisdiction will use to address those priority needs. The Consolidated Plan also includes five-year numeric goals; each jurisdiction will be expected to measure its progress against those goals in the Consolidated Annual Performance Report filed in the fall. The 2016-2020 Consolidated Plan will be the fifth, five-year plan. Consortium members also submit an annual Action Plan; Action Plan FY 2018-2019 will be submitted this year along with any updates to the Five-Year 2016-2020 Consolidated Plan.

HUD regulations also require each Consortium receiving federal housing and community development funds to certify that it is affirmatively furthering fair housing. To ensure that the members of the Consortium are aware of the current level of bias and discrimination in the local housing market, the Consortium is required to submit an Assessment of Fair Housing (AFH) in 2020. Because of major changes in the housing market since 2011, the Portland Consortium will update the 2011 Analysis of Impediments to Fair Housing Choice (AI), within the timeframe of this 2016-2020 Consolidated Plan. The AI was not updated earlier because of changing guidance from HUD about deadlines and formats. The current 2011 AI describes the barriers to fair housing choice, which remain today, and includes recommendations for actions to address and

eliminate them. Most of these recommendations are addressed by programs funded in the FY 2018-2019 Action Plan.

The Consolidated Plan establishes local priorities, consistent with national objectives and priorities established by the US Department of Housing and Urban Development (HUD), to utilize funds allocated by CDBG, HOME, HOPWA and ESG programs. Over the five-year period covered by the 2016-2020 Consolidated Plan over \$75 million is expected to be available through these programs, including allocations and program income. Each of the federal funding sources have specific program requirements that restrict eligible actions and projects. The Consolidated Plan is required to be formatted to answer specific questions by HUD about how these federal funds will be spent. The federal program objectives and local housing goals to meet those objectives, are listed below.

- CDBG Program Objectives: Provide decent housing; Create suitable living environments; Expand economic opportunity
- HOME Program Objectives; Expand the supply of decent, safe, sanitary and affordable housing.
- ESG Program Objective: Reduce and prevent homelessness.
- HOPWA Program Objective: Provide housing for persons with HIV/AIDS.

#### **Summary of the objectives and outcomes identified in the Consolidated Plan**

As determined in the Needs Assessment and Market Analysis included in this plan, the three broad needs and goals identified are described below:

#### **Affordable housing choice (Need); Increase and preserve affordable housing choice (Goal)**

Affordable housing choice, includes safe housing, in good condition for all residents. Projects accomplishing this goal include home repair, down payment assistance, new housing development support, affordable housing development, rental housing rehabilitation and permanent supportive housing.

In the Portland Action Plan the strategic actions call for more funding to be dedicated to housing development and preservation for households 0-60% MFI with a focus on 0-30% MFI households and necessary supportive services.

#### **Basic services & homeless prevention/intervention (Need); Reduce homelessness and increase stability (Goal)**

This goal includes preventing and reducing homelessness and increasing stability for all residents. Projects accomplishing this goal include interventions across a broad spectrum, such as: supportive and emergency services, transitional housing, shelters, homelessness prevention through service interventions, Housing First models, Fair Housing enforcement and education, cultural and population appropriate program delivery and activities to increase self-sufficiency, e.g., job training, employment readiness and education.

### **Community and economic development (Need); Infrastructure, facilities, economic opportunity (Goal)**

This goal includes improving infrastructure, facilities, economic opportunities and economic development. Programs to improve employment outcomes and household economic stability include employment training, referral and self-sufficiency and economic enhancement programs. Projects accomplishing this goal include extensive work with infrastructure, which is seen in Portland, Gresham and Multnomah County as essential in encouraging stability in neighborhoods, increasing access to persons with disabilities and attracting and retaining businesses. Projects will also support micro-enterprises and business development, as well as, public facilities, parks and transportation improvements.

#### **Financial and budgetary impacts:**

This Five Year Consolidated Plan will bring over \$12 million dollars in federal grant resources annually for housing, homelessness prevention and community economic development. The Consolidated Plan identifies three investment goals for federal funds. These three goals are:

- 1) Affordable housing choice (Need); Increase and preserve affordable housing choice (Goal)
- 2) Basic services & homeless prevention/intervention (Need); Reduce homelessness and increase stability (Goal)
- 3) Community and economic development (Need); Infrastructure, facilities, economic opportunity (Goal)

<b>Grant</b>	<b>Amount</b>	<b>Entitlement Area</b>
Community Development Block Grant	\$8,590,688	City of Portland
HOME Investment Partnership Program	\$4,134,231	Portland HOME Consortium
Emergency /Solutions Grant	\$701,174	City of Portland
Housing Opportunities for Persons with AIDS	\$1,409,247	City of Portland for EMSA (Clackamas, Clark, Columbia, Multnomah, Skamania, Washington, and Yamhill Counties)

Matching funds estimated to equal \$1,033,558 are required for the HOME program. The members of the HOME consortium will each contribute their *pro rata* share of match. Key sources of match are expected to include local Tax Increment funds; local General Funds; grant funds from the State Housing Trust Fund, value of below market financing using the Oregon Affordable Housing Tax Credit; value of donated property and donated labor; the value of property tax exemptions for low- and moderate-income home ownership properties developed in distressed neighborhoods; the value of property tax exemptions for low- and moderate-income rental housing owned by charitable non-profits and rented to income-qualified tenants; the value of property tax exemptions for low- and moderate-income housing developed under the New Multi-Unit Housing program; the value of building permit fee waivers and system development charge waivers; and the value of contributions from charitable and corporate sources. Although General Fund match may be available, federal regulations do not require a General Fund match for the HOME grant.

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Dollar-for-dollar matching funds are required for the ESG program. The source of the \$701,174 match is expected to be General Fund allocated in the Portland Housing Bureau budget to Housing Access & Stabilization programs benefitting people experiencing homelessness.

### **Community impacts and community involvement:**

The Consortia follows the federally required Community Participation Plan. This robust public participation strategy included several public hearings in advance of formal consideration and adoption by the jurisdictions. The Action Plans are also informed by the initial Five-Year Consolidated Plan planning meetings that included three Fair Housing information meetings, and over ten focus groups with specific cultural, language and geographic communities. For this year's community participation cycle we anticipate reaching about 200 people. Three hearings were held in the fall in Portland, East Multnomah County, and Gresham. One hearing was conducted in Spanish. This spring an additional three hearings will be held, one in each jurisdiction to review the priorities and projects allocated federal funds.

The City provided meeting and hearing notices, notice of the draft plans as required by the adopted Community Participation Plan, through a broad range of channels including culturally specific newspapers, newsletters, and emails to interest lists. were sent to several thousand partners and interested parties. Draft plans were made available online and paper version were available at the local libraries and upon request. The Portland Housing Advisory Committee (PHAC) notification lists to approximately 3,000 contacts and the Oregon Opportunity Network's newsletters were used to directly contact interested parties, partners and stakeholders. Notices were also posted on PHB's website, and printed in the DJC, Business Tribune, and the Gresham Outlook, and Fair Housing information was printed in the Asian Pages, Latino De Hoy and The Skanner.

### **Calendar of events for the Consolidated Plan, 3<sup>rd</sup> Year Action Plan 2018-2019**

Activity	Action Plan Housing Need Meetings	Action Plan Priorities Meetings	Jurisdiction Decision Meetings
East Multnomah County meetings	October 26, 2017 Spanish	March 23, 2018	June 28, 2018
Portland Consortium meetings	November 2, 2017	June 5, 2018	June 27, 2018
City of Gresham meetings	November 8, 2017	May 17, 2018	June 19, 2018
Posting of Draft Action Plan	May 18, 2018		
Social media notices	April 25, 2018		
HUD submission of Action Plan for federal entitlement funding	August 15, 2018 deadline		

This Action Plan responds to testimony regarding the need to protect the interests of renters, especially low-income renters, renters of color and all other protected class groups. Additionally,

homelessness is especially critical. Community feedback in the form of testimony, focus groups and surveys, identified stagnant incomes, rising rents, credit screening and criminal background screening, and no-fault evictions, as primary barriers to accessing housing. Participants also identified people most at risk of homelessness were people with low-incomes, mental or physical disabilities, people with addiction problems, and domestic violence survivors, LGBTQ identified, recent immigrants or refugees and people of color. Strategies suggested included culturally specific housing services tailored to the needs of these populations, reducing screening barriers, land banking, zoning rules that stabilize low-income owners, renter advocacy services, and increasing household incomes.

The testimony at public hearings reaffirmed findings of the Consolidated Plan need assessment and market analysis, i.e. the need to have actions that address the impact of the rising rents on low-income households, the strong demand for short-term rent assistance, and the need to increase and preserve the number of units of affordable rental housing in the City especially those affordable to households 0-30% MFI. Another issue is the need to address the emerging specific needs of an aging population, and non-English-speaking communities. The social and economic impact of displacement and disparities in housing access for communities of color is also an area of concern. These needs, in turn, influenced the set of investment priorities that guided PHB's budget decisions.

Some needs described by community members require additional study, including ways to address disparities in access to housing due to how credit and criminal background screening criteria are used, ways to prevent economic displacement, housing quality, the need for large-family dwellings to house immigrant and refugee families, and for larger two-bathroom units for families that include persons with disabilities.

Some needs will require longer-term planning efforts with other community partners, such as the need for LGBTQ-friendly assisted living facilities, LGBTQ friendly housing for youth at risk of homelessness, housing that addresses mental health needs, increasing homelessness among single women and families with children, criminal background denials, and the various changes to infrastructure needed to accommodate an aging population. PHB staff has raised these issues with Bureau of Planning & Sustainability staff in the Comprehensive Plan process.

Significant comments came from providers that serve people who have experienced domestic violence, and mental health issues. Other needs such as removing barriers to housing access for protected classes will require collective action, partnerships and policies.

In the Fair Housing Assessment meetings, committee discussions and key informant interviews enhanced the Consortium's understanding of the nature and extent of housing discrimination today, and will contribute to the creation of a set of strategic recommendations to address barriers to Fair Housing access in the context of our three investment goals.

The public involvement process is contained in the Citizen Participation Plan (CPP). The CPP was adopted in the 2011-2016 Consolidated Plan. The public participation process for this Consolidated Plan follows the CPP guidelines. The current CPP is an exhibit of the current five-year Consolidated Plan and will guide the future public participation processes.

### **Other Government Participation**

As provided in the CPP, the Consortium consulted with other public and private agencies that provide assisted housing, health services and social services (including those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, and homeless persons). The consultations and data gathered also reviewed the needs of communities of color, and other protected classes. These consultations occurred during regularly-occurring meetings of the Portland Housing Advisory Commission, the Fair Housing Advocacy Committee and the “A Home for Everyone” Governing Board.

Advisory boards were consulted in the preparation of the Action Plan. The Portland Housing Advisory Commission (PHAC), a volunteer advisory Commission appointed by Portland City Council, was consulted with respect to the priorities, the strategies, and the annual Action Plan. The jurisdictions and appointed volunteers from the respective Housing and Community Development Committees held a public hearing on the Consortium Needs, Priorities, and the Action Plan strategies. The dates of those hearings are listed above.

Staff also consulted local reports describing community and economic needs.

### **100% Renewable Goal:**

This action does not directly contribute to the City’s Goal of meeting 100 percent of the community-wide energy needs with renewable energy by 2050

- This action should contribute to decreases in community energy use due to our investments in energy efficiency services for low-income households.
- PHB has a green building policy that requires PHB owned properties or developments with over 10% of PHB financing to meet net zero energy goals by 2050. These policies apply to all sources of funding including federal funds.

### **Budgetary Impact Worksheet**

#### **Does this action change appropriations?**

- YES: Please complete the information below.
- NO: Skip this section